

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02393A  
Chaparral Water Company  
2601 W. Dunlap, Ste. 10  
Phoenix, AZ 85021

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2010</b>
-----------	-----------	-------------

FOR COMMISSION USE

<b>ANN 04</b>	<b>10</b>
---------------	-----------

4-18-11

4-19-11

## COMPANY INFORMATION

Company Name (Business Name) <u>CHAPARRAL WATER COMPANY</u>		
Mailing Address <u>2601 W. DUNLAP AVE #10</u>		
<u>PHOENIX</u> (City)	<u>AZ</u> (State)	<u>85021</u> (Zip)
<u>(602) 395-2600</u> Telephone No. (Include Area Code)	<u>(602) 395-2677</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>SAME AS ABOVE</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address _____		

## MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact: <u>ERIC S. YOUNG</u>			
<input checked="" type="checkbox"/> Management Contact: <u>ERIC S. YOUNG</u>		<u>CFO</u>	
(Name)		(Title)	
<u>2601 W. DUNLAP AVE #10</u> (Street)	<u>PHOENIX</u> (City)	<u>AZ</u> (State)	<u>85021</u> (Zip)
<u>(602) 395-2600</u> Telephone No. (Include Area Code)	<u>(602) 395-2677</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>HARRY PRUETT</u>			
(Name)			
<u>17989 W. HAPPY VALLEY RD</u> (Street)	<u>WITMAN</u> (City)	<u>AZ</u> (State)	<u>85361</u> (Zip)
<u>(623) 764-3675</u> Telephone No. (Include Area Code)	<u>(623) 544-8660</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: <u>ERIC S. YOUNG</u>			
(Name)			
<u>2601 W. DUNLAP AVE #10</u>	<u>PHOENIX</u>	<u>AZ</u>	<u>85021</u>
(Street)	(City)	(State)	(Zip)
<u>(602) 395-2600</u>	<u>(602) 395-2677</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>WILLIAM LALLY</u>			
(Name)			
<u>201 N. CENTRAL AVE #3300</u>	<u>PHOENIX</u>	<u>AZ</u>	<u>85004</u>
(Street)	(City)	(State)	(Zip)
<u>(602) 254-9900</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input checked="" type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME

CHAPARRAL WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	10,923		10,923
304	Structures and Improvements			
307	Wells and Springs	142,460	123,330	19,130
311	Pumping Equipment	99,389	85,266	14,123
320	Water Treatment Equipment	16,380	16,380	
330	Distribution Reservoirs and Standpipes	224,522	224,522	
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	9182	8692	490
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	12,079	12,079	
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	1616	1616	
	TOTALS	516,551	471,885	44,666

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

CHAPARRAL WATER COMPANY

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	10,923		
304	Structures and Improvements			
307	Wells and Springs	142,460	3.1468%	4483
311	Pumping Equipment	99,389	3.459%	3438
320	Water Treatment Equipment	16,380		
330	Distribution Reservoirs and Standpipes	224,522		
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	9182	3.561%	327
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	12,079		
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	1616		
	TOTALS	516,551	1.5967%	8248

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

COMPANY NAME *CHAPARRAL WATER COMPANY***BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ <i>47,298</i>	\$ <i>28,276</i>
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	<i>13,650</i>	<i>17,048</i>
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ <i>61,578</i>	\$ <i>45,324</i>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ <i>537,879</i>	\$ <i>516,551</i>
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	<i>(492,839)</i>	<i>(471,885)</i>
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ <i>45,040</i>	\$ <i>44,666</i>
	<b>TOTAL ASSETS</b>	\$ <i>106,618</i>	\$ <i>89,990</i>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME	CHADARAL WATER COMPANY
--------------	------------------------

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 6906	\$ 2894
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	13,488	11,699
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	3677	6766
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$24,071</b>	<b>\$21,359</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$</b>	<b>\$</b>
	<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>\$</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 54,750	\$ 54,750
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	27,797	13,881
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$82,547</b>	<b>\$68,631</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$106,618</b>	<b>\$89,990</b>

COMPANY NAME *CHAPARRAL WATER COMPANY***COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 148,218	\$
460	Unmetered Water Revenue		
474	Other Water Revenues	2471	
	<b>TOTAL REVENUES</b>	\$ 150,689	\$
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	24,666	
618	Chemicals		
620	Repairs and Maintenance	26,475	
621	Office Supplies and Expense	8591	
630	Outside Services	80,640	
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	374	
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	35,494	
675	Miscellaneous Expense		
403	Depreciation Expense	8128	8248
408	Taxes Other Than Income		
408.11	Property Taxes	6127	
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 190,495	\$
	<b>OPERATING INCOME/(LOSS)</b>	\$ (39,806)	\$
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	165	
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 165	\$
	<b>NET INCOME/(LOSS)</b>	\$ (39,641)	\$



COMPANY NAME

CHAPARRAL WATER COMPANY

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

NONE

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 6438.00

Meter Deposits Refunded During the Test Year

\$ 1119.50

COMPANY NAME	CHAPARRAL WATER COMPANY
Name of System:	ADEQ Public Water System Number: W-02393A

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-619-218	15	90		8	3	
55-619-219	15	50		8	3	
55-561-9217	15	90		8	3	
55-558-536	25	140		12	3	

\* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1		
10	5		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
165,000	1		
15,000	1	5000	1
35,000	2	3000	1
10,000	2	10,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	CHAPARRAL WATER COMPANY
Name of System:	ADEQ Public Water System Number: W-02393A

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS			CUSTOMER METERS	
Size (in inches)	Material	Length (in feet)	Size (in inches)	Quantity
2			5/8 X 3/4	324
3			3/4	
4	PVC	1800	1	2
5			1 1/2	1
6	PVC	4800	2	
8			Comp. 3	
10			Turbo 3	
12			Comp. 4	
			Turbo 4	
			Comp. 6	
			Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

CHLORINATING EQUIPMENT ON WELL SITES 1, 2, 3

STRUCTURES:

8' x 12' METAL STORAGE SHED

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	CHAPARRAL WATER COMPANY
Name of System:	ADEQ Public Water System Number: W-02393A

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	304	2,674,230	2,957,600	
FEBRUARY	303	2,216,370	3,023,400	
MARCH	304	2,383,110	2,254,300	
APRIL	309	3,187,110	2,747,400	
MAY	313	4,285,390	3,057,100	
JUNE	311	4,792,405	5,420,800	
JULY	331	5,811,045	5,398,500	
AUGUST	321	4,961,670	5,862,100	
SEPTEMBER	311	4,876,652	4,965,000	
OCTOBER	311	4,403,748	5,098,600	
NOVEMBER	311	3,391,690	5,408,900	
DECEMBER	313	2,692,222	4,031,100	
TOTALS →		45,675,642	50,224,800	

What is the level of arsenic for each well on your system? <.0050 mg/l ALL WELLS  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? \_\_\_\_\_ GPM for \_\_\_\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
(✓) Yes ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
(✓) Yes ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
( ) Yes (✓) No

If yes, provide the GPCPD amount: \_\_\_\_\_

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME:	CHAPARRAL WATER COMPANY		
Name of System:	ADEQ Public Water System Number: W-02393A		

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY			4	
FEBRUARY				
MARCH			2	
APRIL			3	
MAY			1	
JUNE			4	
JULY				
AUGUST			1	
SEPTEMBER			1	
OCTOBER			2	
NOVEMBER			3	
DECEMBER				
TOTALS →			21	

OTHER (description):

---

---

---

---

---

---

---

COMPANY NAME CHAPARRAL WATER COMPANY YEAR ENDING 12/31/2010

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 4,760.81

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

**VERIFICATION**

STATE OF AZ

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>MARICOPA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>MARVIN L. ROSE, PRESIDENT</u>
COMPANY NAME	<u>CHAPARRAL WATER COMPANY</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING


MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2010</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

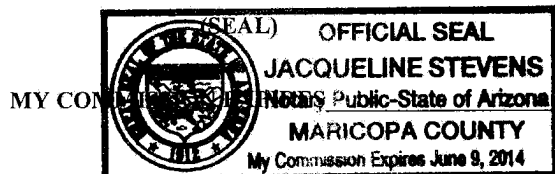
  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
(602) 395-2600  
\_\_\_\_\_  
TELEPHONE NUMBER

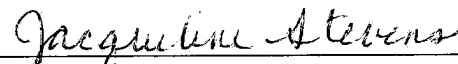
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 13 DAY OF

COUNTY NAME	<u>MARICOPA</u>	
MONTH	<u>April</u>	<u>2011</u>



  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME CHAPARRAL WATER COMPANY YEAR ENDING 12/31/2010

## INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability

PAID BY PARENT COMPANY

State Taxable Income Reported  
Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

## CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

**SIGNATURE**

DATE \_\_\_\_\_

IRVIN L. ROSE

PRINTED NAME \_\_\_\_\_

PRESIDENT

**TITLE**



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>MARICOPA</u>
NAME (OWNER OR OFFICIAL) TITLE <u>MARVIN L. ROSE</u>
COMPANY NAME <u>CHAPARRAL WATER COMPANY</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

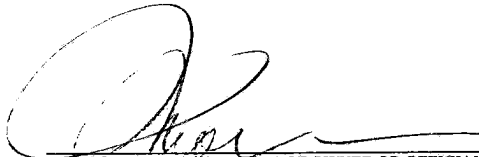
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 161,745.39

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 10,408.17  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

  
SIGNATURE OF OWNER OR OFFICIAL  
(602) 395-2600  
TELEPHONE NUMBER

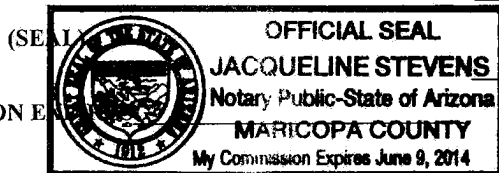
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 13 DAY OF

COUNTY NAME <u>MARICOPA</u>	
MONTH <u>April</u>	20 <u>11</u>

MY COMMISSION EXPIRES



  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>MARICOPA</u>	
NAME (OWNER OR OFFICIAL) <u>MARVIN L. ROSE</u>	TITLE <u>PRESIDENT</u>
COMPANY NAME <u>CHAPARRAL WATER COMPANY</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH <u>12</u>	DAY <u>31</u>	YEAR <u>2010</u>
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

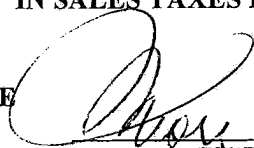
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  <u>\$ 160,312.33</u>
---

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 10,310.67  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
  
(602) 395-2600  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

<u>15</u>
-----------

DAY OF

NOTARY PUBLIC NAME <u>JACQUELINE STEVENS</u>	
COUNTY NAME <u>MARICOPA</u>	
MONTH <u>April</u>	, 20 <u>11</u>

(SEAL)

MY COMMISSION



  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC